

**2013 DRAFTING REQUEST**

**Assembly Amendment (AA-AB40)**

Received: **5/22/2013** Received By: **btradewe**  
Wanted: **As time permits** Same as LRB:  
For: **Legislative Fiscal Bureau** By/Representing: **Bonderud**  
May Contact: Drafter: **btradewe**  
Subject: **Environment - air quality** Addl. Drafters:  
Extra Copies:

Submit via email: **YES**  
Requester's email: **Legislative Fiscal Bureau**  
Carbon copy (CC) to:

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**Pre Topic:**

LFB:.....Bonderud -

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**Topic:**

Vapor recovery equipment removal grants

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**Instructions:**

See attached

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**Drafting History:**

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Typed</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
/P1	btradewe 5/23/2013	jdyer 5/23/2013	rschlue 5/23/2013	_____	sbasford 5/23/2013		

FE Sent For:

<END>

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/P1	btradewe	P1-5/23 jld	5/23/13	_____	_____		
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FE Sent For:

<END>

## Tradewell, Becky

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**From:** Bonderud, Kendra  
**Sent:** Wednesday, May 22, 2013 2:34 PM  
**To:** Tradewell, Becky  
**Cc:** Hinz, Daryl  
**Subject:** drafting request - vapor recovery

Becky,

Attached is motion 363, adopted by JFC on May 21, to create a vapor recovery equipment removal grant program. Could you draft this as a budget amendment? Please create the appropriation in s. 20.370 program 6.

Thank you.



363.pdf

**Kendra Bonderud**

*Fiscal Analyst*

*Wisconsin Legislative Fiscal Bureau*

*ph. (608) 266-3847*

*[Kendra.Bonderud@legis.wisconsin.gov](mailto:Kendra.Bonderud@legis.wisconsin.gov)*

NATURAL RESOURCES -- ENVIRONMENTAL QUALITY

Create Vapor Recovery Equipment Removal Grant Program

Motion:

Move to create a grant program in DNR to assist gas stations with the costs of removing Stage II vapor recovery equipment. Include the following provisions:

1. Provide \$1,000,000 SEG in 2013-14, in a biennial appropriation from the petroleum inspection fund.
2. Specify that the eligible grant applicant would be the owner or operator of a gas station who decommissions (removes) the Stage II vapor recovery equipment from the gas station on or after April 16, 2012.
3. Specify the maximum grant would be \$8,000 per gas station.
4. Require the gas station owner or operator to pay 50 percent of the eligible costs of removal of the Stage II vapor recovery equipment. (Thus, eligible costs would be capped at \$16,000 per gas station.)
5. Direct DNR to promulgate rules for the administration of the program, and to define eligible costs in the administrative rules.
6. Specify that DNR shall award grants in the order in which eligible applications are received.
7. Specify that DNR may not award a grant under the program after June 30, 2015.

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Note:

Based on actions by the Joint Committee on Finance as of May 9, 2013, the petroleum inspection fund would have an estimated \$6.9 million balance on June 30, 2015. Under the motion,

the balance would be approximately \$5.9 million.

The 1990 federal Clean Air Act Amendments required gasoline station operators located in moderate or worse one-hour ozone nonattainment areas to install Stage II vapor recovery systems on gasoline dispensing equipment. In Wisconsin, this applied to the counties of Kenosha, Kewaunee, Manitowoc, Milwaukee, Ozaukee, Racine, Sheboygan, Washington, and Waukesha. DNR operated a state-funded grant program between 1995-96 and 1998-99, with \$19.9 million from the segregated petroleum inspection fund, to reimburse most of the costs of the design, acquisition and installation of Stage II equipment at 733 fuel dispensing facilities in ozone nonattainment areas in eastern and southeastern Wisconsin. The grant program was not a requirement of the Clean Air Act.

On May 9, 2012, EPA waived the requirement that current and former ozone nonattainment areas classified serious and above must implement Stage II vapor recovery systems on gasoline dispensing pumps. Under 2011 Wisconsin Act 196, effective April 17, 2012, state rules requiring vapor recovery systems at retail gasoline stations ceased to apply on the effective date of the federal waiver. In addition, Act 196 specified that vapor recovery systems are not required at any gasoline station for which construction begins after April 17, 2012. DNR has issued information and procedures for gas stations to follow if they choose to remove the Stage II vapor recovery systems.

EPA's May, 2012, action also authorized states that had implemented Stage II vapor recovery programs in ozone nonattainment areas to revise their ozone state implementation plans to allow gasoline service stations to remove their Stage II vapor recovery equipment. DNR has drafted revisions to the state implementation plan regarding removing the state rule which had required the systems, from the state's ozone plan.

Gas stations are not required under federal or state law to remove the Stage II vapor recovery equipment. Gas stations are required, under Department of Safety and Professional Services (DSPS) administrative code SPS 310, to notify DSPS that the equipment is being removed, and to comply with requirements for removal of dispenser or pipe equipment.

DNR estimated there were 846 active gas stations with stage II vapor recovery systems as of April 16, 2012. As of April 29, 2013, there were 188 decommissioned systems out of the 846 active systems in the DNR database. The range of costs to decommission the equipment may range from approximately \$600 to \$1,100 per dispenser, plus modest testing costs for each system.

[Change to Bill: \$1,000,000 SEG]



State of Wisconsin  
2013 - 2014 LEGISLATURE



LRBb0168/P1

RCT:.....

In 5/23

jld  
Note

LFB:.....Bonderud – Vapor recovery equipment removal grants✓

**FOR 2013-2015 BUDGET – NOT READY FOR INTRODUCTION**  
**ASSEMBLY AMENDMENT ,**  
**TO ASSEMBLY BILL 40**

1 At the locations indicated, amend the bill as follows:✓

2 1. Page 351, line 10: after that line insert:

3 “SECTION 287r. 20.370 (6) (ec) of the statutes is created to read:✓

4 20.370 (6) (ec) Vapor control system removal grants. Biennially, from the  
5 petroleum inspection fund, the amounts in the schedule for vapor control system  
6 removal grants under s. 285.31 (6).”✓

7 2. Page 924, line 12: after that line insert:✓

8 “SECTION 2104k. 285.31 (6) of the statutes is created to read:✓

9 285.31 (6) VAPOR RECOVERY SYSTEM REMOVAL GRANTS. (a) The department shall✓  
10 administer a program to provide grants to owners and operators of retail stations for  
11 eligible costs incurred after April 15, 2012, to remove vapor control systems✓

① described in sub. (3) (a).<sup>✓</sup> The maximum grant under this<sup>✓</sup> subsection<sup>is</sup> (equals<sup>o</sup> 50  
2 percent<sup>✓</sup> of eligible costs of removing a vapor control system from a retail station or  
3 \$8,000<sup>✓</sup>, whichever is less. The department shall award grants under this<sup>✓</sup> subsection  
4 in the order in which applications are received and may not award a grant after June  
5 30, 2015.<sup>✓</sup>

6 (b) The department<sup>✓</sup> shall promulgate rules for the administration of the  
7 program under this subsection<sup>✓</sup>, including rules specifying which costs are eligible  
8 costs.”.<sup>✓</sup>

9 (END)

*Note*

**DRAFTER'S NOTE**  
**FROM THE**  
**LEGISLATIVE REFERENCE BUREAU**

date

LRBb0168/P1dn

RCT: n:....

jld

Kendra Bonderud: ✓

As drafted, I think that a person who owns several stations could receive a removal grant for each station. If that is not consistent with the intent of the motion, please let me know. ✓

Rebecca C. Tradewell  
Managing Attorney  
Phone: (608) 266-7290  
E-mail: becky.tradewell@legis.wisconsin.gov



**DRAFTER'S NOTE  
FROM THE  
LEGISLATIVE REFERENCE BUREAU**

LRBb0168/P1dn  
RCT:jld:rs

May 23, 2013

Kendra Bonderud:

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Rebecca C. Tradewell  
Managing Attorney  
Phone: (608) 266-7290  
E-mail: [becky.tradewell@legis.wisconsin.gov](mailto:becky.tradewell@legis.wisconsin.gov)



State of Wisconsin  
2013 - 2014 LEGISLATURE



LRBb0168/P1  
RCT:jld:rs

LFB:.....Bonderud – Vapor recovery equipment removal grants

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5 2015.

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7 program under this subsection, including rules specifying which costs are eligible  
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9 (END)